

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BRIGHT HOUSE NETWORKS, LLC,
WIDEPEN WEST FINANCE, LLC, KNOLOGY OF FLORIDA, INC.,
and BIRCH COMMUNICATIONS, INC.,
Petitioner,

v.

FOCAL IP, LLC,
Patent Owner.

Case IPR2016-01262
Patent 7,764,777 B2

Before SALLY C. MEDLEY, JONI Y. CHANG, and
BARBARA A. PARVIS, *Administrative Patent Judges*.

MEDLEY, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

Bright House Networks, LLC, WideOpen West Finance, LLC, Knology of Florida, Inc., and Birch Communications, Inc. (collectively “Petitioner”)¹ filed a Petition for *inter partes* review of claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, 45, and 46 of U.S. Patent No. 7,764,777 B2 (Ex. 1001, “the ’777 patent”). Paper 1 (“Pet.”). Focal IP, LLC (“Patent Owner”) filed a Preliminary Response. Paper 11 (“Prelim. Resp.”). Petitioner filed a Reply. Paper 17 (“Reply”). Upon consideration of the parties’ contentions and supporting evidence, we instituted an *inter partes* review pursuant to 35 U.S.C. § 314, as to claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, 45, and 46 of the ’777 patent. Paper 19 (“Dec.”).

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 30, “PO Resp.”) and a Motion to Amend (Paper 31, “Mot.”). Petitioner filed a Reply to Patent Owner’s Response (Paper 34, “Pet. Reply”) and an Opposition to Patent Owner’s Motion to Amend (Paper 35, “Opp.”). Patent Owner filed a Reply to the Motion to Amend. Paper 43, “Reply.” Both parties filed Motions to Exclude (Paper 47 and 50) and corresponding responsive papers to the respective Motions to Exclude (Papers 51, 52, 55, and 56).

On September 19, 2017, we held an oral hearing. Paper 68 (“Tr.”).² Subsequent to oral hearing, Petitioner was authorized to file a supplemental brief in opposition to Patent Owner’s Motion to Amend in light of the

¹ Petitioner identifies several real parties-in-interest, as well as other “potential real parties-in-interest” to Petitioner. Pet. 2–4.

² The oral arguments in the following cases were consolidated: Cases IPR2016-01259, IPR2016-01261, IPR2016-01262, and IPR2016-01263. Paper 68.

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Federal Circuit's en banc decision in *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) ("*Aqua Products*"). Paper 65. On October 31, 2017, Petitioner filed a supplemental brief in opposition to Patent Owner's Motion to Amend. Paper 67 ("Supp. Br.").

This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). For the reasons that follow, we determine that Petitioner has demonstrated by a preponderance of the evidence that claims 18, 21, 23, 25, 26, 28–31, 37, 38, 41, 45, and 46 of the '777 patent are unpatentable. Patent Owner's Motion to Amend is *denied*.

A. Related Matters

The parties state that the '777 patent is the subject of pending lawsuits in the Middle District of Florida, and these lawsuits include assertions against Bright House Networks, LLC, WideOpenWest Finance, LLC, YMax Corporation, Birch Communications, Inc., and T3 Communications, Inc. Pet. 4; Paper 7 (Patent Owner's Mandatory Notices), 2–3. Another petitioner filed a petition also challenging claims of the '777 patent (i.e., IPR2016-01258). Paper 7, 3.

B. The '777 Patent

The '777 patent relates to telephone services. Ex. 1001, 1:18. In the background section, the '777 patent describes that the Public Switched Telephone Network (PSTN) consists of a plurality of edge switches connected to telephones on one side and to a network of tandem switches on the other. *Id.* at 1:40–42. The tandem switch network allows connectivity between all of the edge switches, and a signaling system is used by the PSTN to allow calling and to transmit both calling and called party identity. *Id.* at 1:42–46; Ex. 2022 ¶ 36. Dr. La Porta testifies that the "PSTN had

been in existence for decades and consisted of a global network of circuit switches arranged in a geographical hierarchy.” Ex. 1002 ¶¶ 53–56 (citing the ENGINEERING AND OPERATIONS IN THE BELL SYSTEM (2nd ed. 1984) (“the Bell System Reference,” Ex. 1037)).

According to the ’777 patent, at the time of the invention, there were “web-based companies managing 3rd-party call control, via the toll-switch network, which allow users to enter call control information through a web portal.” Ex. 1001, 1:29–32. “Edge devices such as phones and PBXs that include voice mail, inter-active voice response, call forwarding, speed calling, etc., have been used to provide additional call control.” *Id.* at 2:36–39.

The ’777 patent discloses a system for allowing a subscriber to select telephone service features. *Id.* at 1:18–21. Figure 1 of the ’777 patent is reproduced below (with annotations).

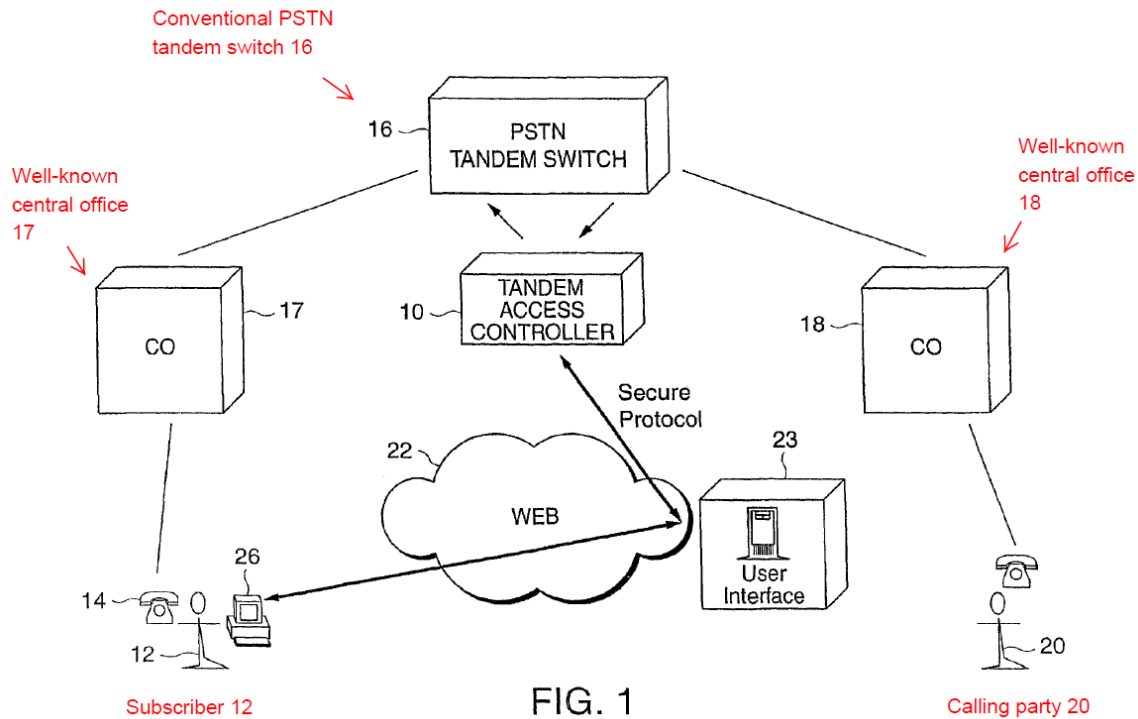


FIG. 1

Annotated Figure 1 illustrates tandem access controller 10 connected to conventional PSTN tandem switch 16. *Id.* at 4:40, 41. According to the '777 patent, “[d]etails of the operation of the existing phone network,” including directing of phone calls by “existing” PSTN tandem switch 16 to central offices 17, 18 are further described in a publication incorporated by reference, as well as “numerous books describing the PSTN.” *Id.* at 4:40–51.

The call flow in the network illustrated in Figure 1 with tandem access controller 10 remains the same as that in a conventional network, “except that additional 3rd-party features are applied to the call.” *Id.* at 4:40–44. More specifically, in the network illustrated in Figure 1, a call from calling party 20 to subscriber’s phone 14 is directed to tandem access controller 10, which places a second call, subject to third party control information to subscriber 12. *Id.* at 4:52–55. The second call is placed “to the subscriber’s

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